

Irrigation and M&I  
R.O. Draft 05/27-1994  
Rev. R.O. 06/21-1994  
Rev. R.O. 07/11-1994  
Rev. R.O. 07/19-1994  
Rev. R.O. 08/09-1994  
Rev. R.O. 08/15-1994  
Rev. R.O. 08/19-1994  
Rev. R.O. 02/17-1995  
Rev. R.O. 08/13-1997  
Rev. R.O. 09/29-1999  
Rev. R.O. 09/30-1999  
Rev. R.O. 11/03-1999  
Rev. R.O. 08/25-2000  
Rev. R.O. 09/14-2000  
Rev. R.O. 12/08-2000  
R.O. 01/30-2001

Contract No.  
14-06-200-785-IR7

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION  
Central Valley Project, California

INTERIM RENEWAL CONTRACT BETWEEN THE UNITED STATES  
AND

PLAIN VIEW WATER DISTRICT  
PROVIDING FOR PROJECT WATER SERVICE

THIS CONTRACT, made this 28<sup>th</sup> day of February in pursuance  
generally of the Act of June 17, 1902 (32 Stat. 388), and acts amendatory or supplementary  
thereto, including, but not limited to, the acts of August 26, 1937 (50 Stat. 844), as amended and  
supplemented, August 4, 1939 (53 Stat. 1187), as amended and supplemented, July 2, 1956 (70  
Stat. 483), June 21, 1963 (77 Stat. 68), October 12, 1982 (96 Stat. 1261), as amended and Title  
XXXIV of the Act of October 30, 1992 (106 Stat. 4706), all collectively hereinafter referred to as  
the Federal Reclamation law, between THE UNITED STATES OF AMERICA, hereinafter

1 referred to as the United States, and PLAIN VIEW WATER DISTRICT, hereinafter referred to  
2 as the Contractor, a public agency of the State of California, duly organized, existing, and acting  
3 pursuant to the laws thereof, with its principal place of business in Tracy, California;

4 WITNESSETH, That:

5 EXPLANATORY RECITALS

6 WHEREAS, the United States has constructed and is operating the Central Valley  
7 Project, California for diversion, storage, carriage, distribution and beneficial use, for flood  
8 control, irrigation, municipal, domestic, industrial, fish and wildlife mitigation, protection and  
9 restoration, generation and distribution of electric energy, salinity control, navigation and other  
10 beneficial uses, of waters of the Sacramento River, the American River, the Trinity River, and  
11 the San Joaquin River and their tributaries; and

12 WHEREAS, the United States constructed the Delta-Mendota Canal and related  
13 facilities, hereinafter collectively referred to as the Delta-Division facilities, which will be used  
14 in part for the furnishing of water to the Contractor pursuant to the terms of this interim renewal  
15 contract; and

16 WHEREAS, the Contractor and the United States entered into Contract No. 14-  
17 06-200-785 dated May 22, 1953, which in Part A thereof, provided the Contractor, Central  
18 Valley Project water from the Delta-Mendota Canal from May 22, 1953 to February 28, 1994;  
19 and

20 WHEREAS, the Contractor and the United States entered into interim renewal  
21 contract(s) identified as Contract No(s). 14-06-200-785-IR1, 14-06-200-785-IR2, 14-06-200-  
22 785-IR3, 14-06-200-785-IR4, 14-06-200-785-IR5, and 14-06-200-785-IR6, which renewed Part

1 A, the latter of which is hereinafter referred to as the Existing Interim Renewal Contract, which  
2 provided Project Water to the Contractor from December 1, 2000 through February 28, 2001; and

3 WHEREAS, the Contractor has requested a subsequent interim renewal contract  
4 pursuant to the Existing Interim Renewal Contract, Federal Reclamation law and the laws of the  
5 State of California, for water service from the Central Valley Project; and

6 WHEREAS, the United States and the Contractor believe that either further  
7 negotiations on a long-term renewal contract for the Contractor would be beneficial and mutually  
8 commit to continue to negotiate to seek to reach agreement or the Contractor's proposed long-  
9 term renewal contract required environmental review necessary to execute a long-term renewal  
10 contract has not been completed, and the Contractor has requested a subsequent interim renewal  
11 contract pursuant to Article 2 (b)(1) of the Existing Interim Renewal Contract; and

12 WHEREAS, the United States has determined that the Contractor has to date  
13 fulfilled all of its obligations under the Existing Interim Renewal Contract; and

14 WHEREAS, The Contracting Officer has determined that the Contractor has the  
15 capability to fully utilize for reasonable and beneficial use, or shown projected future reasonable  
16 and beneficial use for, the quantity of Project Water to be made available to it pursuant to this  
17 interim renewal contract; and

18 WHEREAS, rights of renewal of Contract No. 14-06-200-785 and to convert said  
19 contract to a contract as provided by subsection (d), Section 9 of the Act of August 4, 1939 (53  
20 Stat. 1187), are set forth in said contract; and

21 WHEREAS, Section 3404 of the CVPIA, precludes long-term renewal of water  
22 service contracts until the completion of appropriate environmental documentation, including a

1 programmatic environmental impact statement ("PEIS") pursuant to the National Environmental  
2 Policy Act analyzing the direct and indirect impacts and benefits of implementing the CVPIA  
3 and the potential renewal of all existing contracts for Project Water; and

4 WHEREAS, in order to continue water service provided under Project water  
5 service contracts that expire prior to the completion of the PEIS, the United States intends to  
6 execute interim renewal contracts for a period not to exceed three (3) Years in length, and for  
7 successive interim periods of not more than two (2) Years in length, until appropriate  
8 environmental documentation, including the PEIS, is finally completed, at which time the  
9 Secretary shall, pursuant to Federal Reclamation law, upon request of the Contractor, enter into a  
10 long-term renewal contract for a period of twenty-five (25) Years; and may thereafter renew such  
11 long-term renewal contracts for successive periods not to exceed twenty-five (25) Years each;  
12 and

13 WHEREAS, the Secretary intends to assure uninterrupted water service and  
14 continuity of contract through the process set forth in Article 2 hereof; and

15 WHEREAS, the United States is willing to renew the Existing Interim Renewal  
16 Contract pursuant to Section 3404(c)(1) of the CVPIA on the terms and conditions set forth  
17 below;

18 NOW, THEREFORE, in consideration of the mutual and dependent covenants  
19 herein contained, it is hereby mutually agreed by the parties hereto as follows:

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1. When used herein unless otherwise distinctly expressed, or manifestly

(a) "Calendar Year" shall mean the period January 1 through December 31,

(b) "Charges" shall mean the payments in addition to the Rates determined

(c) "Contractor's Boundaries" shall mean the area to which the Contractor is

(d) "CVPIA" shall mean the Central Valley Project Improvement

(e) "Delivered Water" shall mean Project Water made available to

(f) "Eligible Lands" shall mean all lands to which Irrigation Water may

(g) "Excess Lands" shall mean all lands defined as excess in

1           (h)     "Full Cost Rate" shall mean that water rate described in Sections 205(a)(3)  
2 or 202(3) of the RRA, whichever is applicable;

3           (i)     "Ineligible Lands" shall mean all lands to which Irrigation Water may not  
4 be delivered in accordance with Section 204 of the RRA;

5           (j)     "Irrigation Water" shall mean Project Water which is used primarily  
6 in the production of agricultural crops or livestock, including domestic use  
7 incidental thereto, and watering of livestock;

8           (k)     "Landholder" shall mean an individual or entity attributed with the total  
9 irrigable acreage of one or more tracts of land situated in one or more districts owned  
10 and/or operated under a lease which is served with Irrigation Water pursuant to a contract  
11 with the United States;

12          (l)     "M&I Water" shall mean water made available from the Project other than  
13 Irrigation Water. M&I Water shall include water used for purposes such as the watering  
14 of landscaping or pasture for animals (e.g., horses) which are kept for personal enjoyment  
15 or water delivered to landholding operated in units of less than 5 acres unless the  
16 Contractor establishes to the satisfaction of the Contracting Officer that the use of water  
17 delivered to any such landholding is a use described in subdivision (k) of this Article;

18          (m)     "O&M" shall mean normal and reasonable care, control, operation, repair,  
19 replacement, and maintenance of Project facilities;

20          (n)     "Operating Non-Federal Entity" shall mean a Non-Federal entity which  
21 has the obligation to operate and maintain all or a portion of the Delta-Division facilities  
22 pursuant to an agreement with the United States;

(o) "Project" shall mean the Central Valley Project owned by the United States and operated by the Department of the Interior, Bureau of Reclamation;

(p) "Project Water" shall mean all water that is developed, diverted, stored, or delivered by the United States in accordance with the statutes authorizing the Project and in accordance with the terms and conditions of applicable water rights permits and licenses acquired by and/or issued to the United States pursuant to California law;

(q) "Rates" shall mean the payments determined annually by the Contracting Officer in accordance with the then current applicable water ratesetting policies for the Project;

(r) "Secretary" or "Contracting Officer" shall mean the Secretary of the United States Department of the Interior or his duly authorized representative;

(s) "Year" shall mean the period from and including March 1 of each Calendar Year through the last day of February of the following Calendar Year.

#### TERM OF CONTRACT - RIGHT TO USE OF WATER

2. (a) This interim renewal contract shall be effective from March 1, 2001 and shall remain in effect through February 28, 2002, and thereafter will be renewed as described in this article. Except as provided in subdivision (b) of this Article, until completion of all appropriate environmental review, and provided that the Contractor has complied with all the terms and conditions of the interim renewal contract in effect for the period immediately preceding the requested successive interim renewal contract, this interim renewal contract will be renewed, upon request of the Contractor, for successive interim periods each of which shall be no more than two (2) Years in length. Also, except as provided in subdivision (b) of this Article, in

1 order to promote orderly and cost effective contract administration, the terms and conditions in  
2 subsequent interim renewal contracts shall be identical to the terms and conditions in the interim  
3 renewal contract immediately preceding the subsequent interim renewal contract: Provided,  
4 however, That each party preserves the right to propose modification(s) in any interim renewal  
5 contract other than those described in subdivision (b) of this Article, in which case the parties  
6 shall negotiate in good faith appropriate modification(s) to be included in any successive interim  
7 renewal contracts. Said modification(s) of each successive interim renewal contract shall be  
8 agreed upon within a reasonable time prior to the expiration of the then existing interim renewal  
9 contract. Nothing in this Article shall in any way alter the obligation that, upon final completion  
10 of the PEIS and any necessary supplemental environmental documentation, the Secretary shall,  
11 pursuant to Federal Reclamation law, upon request of the Contractor, enter into a long-term  
12 renewal contract for a period of twenty-five (25) Years and may thereafter renew such long-term  
13 renewal contracts for successive periods not to exceed twenty-five (25) Years each. The  
14 Contractor asserts that Contract No.14-06-200-785 and existing law go beyond the preceding  
15 sentence to give it enforceable rights to successive long-term renewal contracts. The Contracting  
16 Officer disagrees with that assertion. The parties agree that this interim renewal contract  
17 preserves the rights and positions of the parties and that the omission of language in this interim  
18 renewal contract setting out the rights asserted by the Contractor to successive renewals is not  
19 intended to be, nor shall it be interpreted as, a waiver of any such rights to the extent any such  
20 rights are later determined to exist by a court of competent jurisdiction or by mutual agreement of  
21 the parties. If a court of competent jurisdiction or the parties by mutual agreement determine that  
22 incorporation of such language in this interim renewal contract is necessary to preserve such



1 rights, this interim renewal contract shall be construed as incorporating such language as though  
2 fully set forth herein as of the effective date hereof.

3 (b) The parties anticipate that they will engage in good faith negotiations  
4 intended to permit the execution of a twenty-five (25) Year long-term renewal contract  
5 contemplated by Section 3404 (c) of the CVPIA, hereinafter referred to as a “long-term renewal  
6 contract”, by the end of the term hereof. The parties recognize the possibility that this schedule  
7 may not be met. Accordingly:

8 (1) In the event (i) the Contractor and Contracting Officer have  
9 reached agreement on the terms of the Contractor’s long-term renewal contract or (ii) the  
10 Contractor and Contracting Officer have not completed the negotiations on the Contractor’s  
11 long-term renewal contract, believe that further negotiations on that contract would be beneficial,  
12 and mutually commit to continue to negotiate to seek to reach agreement, but (iii) all  
13 environmental documentation required to allow execution of the Contractor’s long-term renewal  
14 contract by both parties has not been completed in time to allow execution of the Contractor’s  
15 long-term renewal contract by November 30, 2001, then (iv) the parties will expeditiously  
16 complete the environmental documentation required of each of them in order to execute the  
17 Contractor’s long-term renewal contract at the earliest practicable date. In addition, the  
18 Contractor’s then current interim renewal contract will be renewed without change upon the  
19 request of either party through the agreed-upon effective date of the Contractor’s long-term  
20 renewal contract or, in the absence of agreement on the terms of the Contractor’s long-term  
21 renewal contract, through the succeeding February 28.

1                   (2)     Provided that this interim renewal contract is not subject to  
2     renewal under the terms described in subdivision (1) of this Article, if a party determines that the  
3     parties have reached an impasse which they have been unable to resolve and which precludes  
4     agreement on the long-term renewal contract, that party may notify the other that it has concluded  
5     that there is no reasonable likelihood of reaching agreement on the terms of a long-term renewal  
6     contract prior to November 1, 2001. In the event of such notice, the parties will immediately  
7     agree to a schedule and process for negotiating the terms (other than any terms that would impair  
8     continuity of water supply or continuity of contract) of and executing an interim renewal  
9     contract; provided that neither party will propose for inclusion in the interim renewal contract  
10    any provision not previously included in an existing interim renewal contract which it had  
11    previously proposed for inclusion in the long-term renewal contract and which was the subject of  
12    an impasse in the long-term renewal contract negotiations. The schedule will provide for  
13    completion of the negotiations of the terms of that contract by February 1, 2002, and for  
14    execution of the contract on or about February 15, 2002. The parties each acknowledge the right  
15    of either party to seek judicial relief in connection with any impasse reached in connection with  
16    negotiation of the long-term renewal contract and/or an interim renewal contract that would  
17    become effective on or after February 28, 2002.

18                   (c)     The parties acknowledge that the Contractor asserts that it is entitled as a  
19    matter of law to an interim renewal contract of longer duration than twelve (12) months, and that  
20    the Contracting Officer asserts that it is under no obligation to provide the Contractor with an  
21    interim renewal contract of any particular duration. Accordingly, the parties further acknowledge  
22    that (i) the foregoing process represents a mutual accommodation to facilitate their joint desire to

1 proceed with the development of a long-term renewal contract in an expeditious and orderly  
2 manner, (ii) they each preserve their respective rights and positions relative to the entitlement of  
3 the Contractor to subsequent interim renewal contracts should they become necessary, and the  
4 terms thereof, and (iii) their agreement to the process and interim renewal contract terms  
5 described above is in no way intended to be, nor will it be interpreted as, a waiver of any such  
6 rights or positions, all of which are and will be expressly preserved.

7 (d) The omission of language in this interim renewal contract providing for  
8 conversion of this interim renewal contract or any subsequent renewals thereof to a repayment  
9 contract, pursuant to the Act of July 2, 1956 (70 Stat. 483), shall not prejudice the Contractor's  
10 right to assert a right to have such language included in subsequent renewals of this interim  
11 renewal contract or to exercise such conversion, all as provided by law, or to negotiate the  
12 language regarding such conversion to be included in subsequent renewal contracts.

13 WATER TO BE MADE AVAILABLE AND DELIVERED TO THE CONTRACTOR

14 3. (a) Subject to the provisions set forth in Articles 11 and 12 hereof, and  
15 consistent with applicable State water rights, permits and licenses, the Contractor is entitled to,  
16 and the Contracting Officer shall be obligated to make available to the Contractor up to 20,600  
17 acre-feet of Project Water for irrigation and/or municipal and industrial purposes during the term  
18 of this interim renewal contract. The quantity of Project Water delivered to the Contractor in  
19 accordance with this Article 3(a) in any Year shall be scheduled and paid for pursuant to the  
20 provisions of Articles 4 and 7 hereof, and shall not exceed the quantity of Project Water the  
21 Contractor intends to put to reasonable beneficial use within the Contractor's Boundaries or sold,  
22 transferred, or exchanged pursuant to Article 9 during the term of this interim renewal contract.

1                   (b)     The Contractor shall utilize the Project Water made available to it pursuant  
2 to this interim renewal contract in accordance with all applicable requirements of any Biological  
3 Opinion addressing the execution of this interim renewal contract developed pursuant to Section  
4 7 of the Endangered Species Act of 1973 as amended, and in accordance with environmental  
5 documentation as may be required for specific activities, including conversion of Irrigation Water  
6 to M&I Water.

7                   (c)     The Contractor shall make reasonable and beneficial use of Project Water  
8 or other water furnished pursuant to this interim renewal contract. In addition, use of Project  
9 Water in a ground water recharge program shall be permitted under this contract to the extent  
10 that it is carried out in accordance with California law; Provided, however, that such ground  
11 water recharge program cannot be undertaken unless and until the Contractor submits a ground  
12 water management plan pursuant to California law that demonstrates that such ground water  
13 recharge program will result in a reasonable and beneficial use of such water.

14                  (d)     If the Contracting Officer determines that Project Water, or other water  
15 available to the Project, can be made available to the Contractor in addition to the quantity of  
16 Project Water made available to the Contractor pursuant to subdivision (a) of this Article, the  
17 Contracting Officer shall so notify the Contractor. If the Contractor requests the delivery of any  
18 quantity of such water, the Contracting Officer shall make such water available to the Contractor  
19 in accordance with applicable statutes, regulations, guidelines, and policies.

20                  (e)     If the Contractor requests permission to reschedule for use during the  
21 subsequent Year some or all of the Project Water made available to the Contractor during the  
22 current Year or to use, during the current Year, that quantity of Project Water the United States

1 has agreed to make available to the Contractor during the subsequent Year, the Contracting  
2 Officer may permit such uses in accordance with applicable statutes, regulations, guidelines, and  
3 policies.

4 (f) The Contractor's right pursuant to Federal Reclamation law and applicable  
5 State law to the beneficial use of water furnished pursuant to this interim renewal contract, any  
6 subsequent interim renewal contract and, as described in Article 2(a), any long-term renewal  
7 contract, shall not be disturbed so long as the Contractor shall fulfill all of its obligations under  
8 this interim renewal contract and any such renewal thereof. Nothing in the preceding sentence  
9 shall affect the Contracting Officer's ability to impose shortages under subdivision (b) of Article  
10 12 of this interim renewal contract and the applicable provisions of any such renewal thereof.

11 (g) Notwithstanding subdivisions (j) and (l) of Article 1, Project Water  
12 furnished to the Contractor pursuant to this interim renewal contract may be delivered for  
13 purposes other than those described in subdivisions (j) and (l) of Article 1 upon written approval  
14 by the Contracting Officer in accordance with the terms and conditions of such approval.

#### 15 TIME FOR DELIVERY OF WATER

16 4. (a) On or about February 15, of each Calendar Year, the Contracting Officer  
17 shall declare the amount of Project Water estimated to be made available to the Contractor  
18 pursuant to this interim renewal contract for the upcoming Year. The declaration will be updated  
19 monthly, as necessary, based on current hydrologic conditions. The Contracting Officer shall  
20 make available the forecast of Project operations, with relevant supporting information, upon the  
21 written request of the Contractor or its representatives. Upon written request of the Contractor,  
22 the Contracting Officer shall provide the basis of the estimate which shall include, but not be

1 limited to, a monthly pumping forecast for the O'Neill Pumping Plant, the projected carryover of  
2 Project reservoirs, projected CVPIA impacts, projected Endangered Species Act, and all other  
3 regulatory impacts.

4 (b) On or before each March 1, the Contractor shall submit to the Contracting  
5 Officer and at such other times as necessary, a written schedule, satisfactory to the Contracting  
6 Officer, showing the times, and quantities of Project Water to be delivered by the United States  
7 to the Contractor during the upcoming Year pursuant to this interim renewal contract, and,  
8 consistent with subdivision (a) of Article 3 herein.

9 (c) Subject to the conditions set forth in subdivision (a) of Article 3, the  
10 United States shall deliver Project Water to the Contractor in accordance with the initial schedule  
11 submitted by the Contractor pursuant to subdivision (b) of this Article, or any revision(s) thereto  
12 submitted within a reasonable time prior to the date(s) on which the requested change(s) is/are to  
13 be implemented.

14 POINT OF DIVERSION AND RESPONSIBILITY FOR DISTRIBUTION OF WATER

15 5. (a) The Project Water to be furnished to the Contractor pursuant to this  
16 interim renewal contract shall be made available to the Contractor at the mileposts identified in  
17 Exhibit B and any additional point or points of delivery either on Project facilities or another  
18 location or locations mutually agreed to in writing by the Contracting Officer and the Contractor.

19 (b) The Contracting Officer shall make all reasonable efforts to maintain  
20 sufficient flows and levels of water in the Delta-Mendota Canal to furnish Project Water to the  
21 Contractor at the turnout(s) established as a delivery point(s) pursuant to (a) of this Article.

1                   (c)     Irrigation Water furnished to the Contractor pursuant to this interim  
2 renewal contract shall be delivered by the Contractor in accordance with any applicable land  
3 classification provisions of Federal Reclamation law and the associated regulations. Project  
4 Water shall not be delivered to land outside the Contractor's Boundaries unless approved in  
5 advance by the Contracting Officer.

6                   (d)     All Project Water delivered to the Contractor pursuant to this interim  
7 renewal contract shall be measured and recorded with equipment furnished, installed, operated,  
8 and maintained by the United States or the responsible Operating Non-Federal Entity at the point  
9 or points of delivery established pursuant to subdivision (a) of this Article. Upon the request of  
10 either party to this interim renewal contract, the Contracting Officer shall investigate the accuracy  
11 of such measurements and shall take any necessary steps to adjust any errors appearing therein.  
12 The Contractor shall advise the Contracting Officer on or before the 10th calendar day of each  
13 month of the quantity of M&I Water taken during the preceding month.

14                  (e)     Neither the United States nor any Operating Non-Federal Entity shall be  
15 responsible for the control, carriage, handling, use, disposal, or distribution of Project Water  
16 made available to the Contractor pursuant to this interim renewal contract beyond the delivery  
17 points specified in subdivision (a) of this Article. The Contractor shall indemnify the United  
18 States its officers, employees, agents, and assigns on account of damage or claim of damage of  
19 any nature whatsoever for which there is legal responsibility, including property damage,  
20 personal injury, or death arising out of or connected with the control, carriage, handling, use,  
21 disposal, or distribution of such Project Water beyond such delivery points, except for any  
22 damage or claim arising out of (i) acts performed by the United States or any of its officers,

employees, agents, or assigns, including any responsible Operating Non-Federal Entity, with the intent of creating the situation resulting in any damage or claim, (ii) willful misconduct of the United States or any of its officers, employees, agents, or assigns, including any responsible Operating Non-Federal Entity, or (iii) negligence of the United States or any of its officers, employees, agents, or assigns including any responsible Operating Non-Federal Entity.

#### MEASUREMENT OF WATER WITHIN THE DISTRICT

6. (a) The Contractor shall ensure that, unless the Contractor has established an alternative measurement program satisfactory to the Contracting Officer, all surface water delivered for irrigation purposes within the Contractor's Boundaries is measured at each agricultural turnout and such water delivered for municipal and industrial purposes is measured at each municipal and industrial service connection. All water measuring devices or water measuring methods of comparable effectiveness must be acceptable to the Contracting Officer. The Contractor shall be responsible for installing, operating, and maintaining and repairing all such measuring devices and implementing all such water measuring methods at no cost to the United States. The Contractor shall use the information obtained from such water measuring devices or water measuring methods to ensure proper management of the water; to bill water users for water delivered by the Contractor; and, if applicable, to record water delivered for municipal and industrial purposes by customer class as defined in its water conservation plan. Nothing herein contained, however, shall preclude the Contractor from establishing and collecting any charges, assessments, or other revenues authorized by California law. The Contractor shall include a summary of its annual surface water deliveries in the annual report described in subdivision (d) of Article 25.



1 (b) Omitted.

2 (c) All new surface water delivery systems installed within the Contractor's  
3 Boundaries after the effective date of this interim renewal contract shall also comply with the  
4 measurement provisions described in subdivision (a) of this Article.

5 (d) The Contractor shall inform the Contracting Officer and the State of  
6 California in writing by April 30 of each Year of the monthly volume of surface water delivered  
7 within the Contractor's Boundaries during the previous Year.

8 RATES AND METHOD OF PAYMENT FOR WATER

9 7. (a) The Contractor shall pay the United States in monthly payments as  
10 provided in this Article for the quantities of Delivered Water furnished to the Contractor pursuant  
11 to this interim renewal contract. Such payments shall consist of the applicable Rates and  
12 Charges determined annually in accordance with applicable Federal law and associated  
13 regulations. The Rates and Charges applicable upon execution of this interim renewal contract  
14 are set forth in Exhibit "A."

15 (b) The Contracting Officer shall notify the Contractor of the Rates and  
16 Charges as follows:

17 (1) Prior to July 1, of each Calendar Year, the Contracting Officer  
18 shall provide the Contractor the preliminary calculation of the Charges that will be applied for  
19 the period October 1 of the current Calendar Year, through September 30, of the following  
20 Calendar Year, and identify the statutes, regulations and guidelines used as the basis for such  
21 calculations. On or before September 15 of each Calendar Year, the Contracting Officer shall  
22 notify the Contractor in writing of the Charges to be in effect during the period October 1 of the

1 current Calendar Year, through September 30 of the following Calendar Year, and such  
2 notification shall revise Exhibit "A."

3 (2) Prior to October 1 of each Calendar Year, the Contracting Officer  
4 shall make available to the Contractor an estimate of the Rates of payment for the following Year  
5 and the computations and cost allocations upon which those Rates are based. The Contractor  
6 shall be allowed not less than two months to review and comment on such computations and cost  
7 allocations. By December 31 of each Calendar Year, the Contracting Officer shall provide the  
8 Contractor with the final Rates to be in effect for the upcoming Year, and such notification shall  
9 revise Exhibit "A."

10 (c) At the time the Contractor submits the initial schedule for the delivery of  
11 Project Water for each Year pursuant to subdivision (b) of Article 4 of this interim renewal  
12 contract, the Contractor shall pay the United States the total amount payable pursuant to the  
13 applicable Rate(s) for all Project Water scheduled to be delivered pursuant to this interim  
14 renewal contract during the first two (2) calendar months of the Year. Before the end of the first  
15 month or part thereof of the Year, and before the end of each calendar month thereafter, the  
16 Contractor shall pay pursuant to the applicable Rate(s) for all Project Water scheduled to be  
17 delivered pursuant to this interim renewal contract during the second month immediately  
18 following. Adjustments between the payments for the scheduled amount of Project Water and  
19 the appropriate payments for quantities of Delivered Water furnished pursuant to this interim  
20 renewal contract each month shall be made before the end of the following month: Provided,  
21 That any revised schedule submitted by the Contractor pursuant to Article 4 which increases the  
22 amount of Project Water to be delivered pursuant to this interim renewal contract during any

1 month shall be accompanied with appropriate payment for Rates to assure that Project Water is  
2 not furnished to the Contractor in advance of such payment. In any month in which the quantity  
3 of Delivered Water furnished to the Contractor pursuant to this interim renewal contract equals  
4 the quantity of Project Water scheduled and paid for by the Contractor, no additional Project  
5 Water shall be made available to the Contractor unless and until payment of Rates for such  
6 additional Project Water is made. Final adjustment between the payments of Rates for the  
7 Project Water scheduled and the quantities of Delivered Water furnished during each Year  
8 pursuant to its contract shall be made as soon as possible but no later than April 30th of the  
9 following Year.

10 (d) The Contractor shall pay all Charges owing for Delivered Water before the  
11 end of the month following the month of delivery. Such amounts shall be consistent with the  
12 quantities of Irrigation Water and M&I Water shown in the United States' water delivery report  
13 for the subject month. The water delivery report shall be regarded by the Contractor as a bill for  
14 the payment of appropriate Charges. Any monthly adjustment for overpayment or underpayment  
15 of Charges shall be accomplished through the adjustment of Charges due to the United States in  
16 the next month. By March 31, of each Year, the Contractor shall make any additional payment  
17 of Charges it is obligated to make for Delivered Water furnished to the Contractor pursuant to its  
18 contract for the previous Year. The amount to be paid for past due payment of Charges shall be  
19 computed pursuant to Article 19 of this interim renewal contract.

20 (e) The Contractor shall pay for any Project Water provided under subdivision  
21 (d) or (e) of Article 3 as determined by the Contracting Officer pursuant to applicable statutes,  
22 regulations, guidelines, and policies.

1 (f) Payments to be made by the Contractor to the United States under this  
2 interim renewal contract may be paid from any revenues available to the Contractor.

3 (g) Revenues received by the United States pursuant to this interim renewal  
4 contract shall be allocated and applied in accordance with Federal Reclamation law, including  
5 but not limited to, subsection 3 of Section 1 of the Act of July 2, 1956 (70 Stat. 483), and  
6 subsection (f) of Section 3405, subsection (c)(1) of Section 3406 and subsection (d)(2)(A) of  
7 Section 3407 of the CVPIA, and the associated regulations, including but not limited to, the  
8 Project Irrigation Water ratesetting policy and the Project M&I ratesetting policy promulgated  
9 pursuant to the Administrative Procedures Act.

10 (h) At the Contractor's request, the Contracting Officer shall provide to the  
11 Contractor an accounting of all of the expenses allocated and the disposition of all revenues  
12 received pursuant to this interim renewal contract in sufficient detail to allow the Contractor to  
13 determine that the allocation of expenses and disposition of all revenues received was  
14 accomplished in conformance with Federal Reclamation law and the associated regulations. The  
15 Contracting Officer and the Contractor shall enter into good faith negotiations to resolve any  
16 discrepancies or disputes arising out of said accounting of the Contractor's review thereof.

17 (i) The parties acknowledge and agree that the efficient administration of this  
18 interim renewal contract is their mutual goal. Recognizing that experience has demonstrated that  
19 mechanisms, policies, and procedures used for establishing Rates and Charges, and/or for making  
20 and allocating payments, other than those set forth in this Article would be in the mutual best  
21 interest of the parties, it is expressly agreed that the parties may enter into agreements for

1 alternative mechanisms, policies, and procedures for any of those purposes while this interim  
2 renewal contract is in effect without amending this contract.

3 NON-INTEREST BEARING OPERATION AND MAINTENANCE DEFICITS

4 8. The Contractor and the Contracting Officer concur that at the time of execution of  
5 this interim renewal contract, the Contractor has no non-interest bearing operation and  
6 maintenance deficits and shall have no further liability therefor.

7 TRANSFERS OR EXCHANGES OF WATER

8 9. The right to Project Water provided for in this interim renewal contract may be  
9 sold, transferred, or exchanged to others for beneficial uses within the State of California if such  
10 sale, transfer or exchange is authorized by applicable Federal laws, State laws, and applicable  
11 guidelines or regulations then in effect. The right to sell, transfer, or exchange Project Water  
12 shall include, and the Contracting Officer shall apply this Article in a manner that does not  
13 impede or restrict, lawful short-term sales, transfers, or exchanges of the type the Contractor  
14 historically carried out with approval of the Contracting Officer under Contract No. 14-06-200-  
15 785. No sale, transfer, or exchange of the right to Project Water under this interim renewal  
16 contract may take place without the prior written approval of the Contracting Officer.

17 APPLICATION OF PAYMENTS AND ADJUSTMENTS

18 10. (a) The amount of any overpayment by the Contractor shall be applied first to  
19 any accrued indebtedness arising out of this interim renewal contract then due and payable by the  
20 Contractor. Any amount of such overpayment then remaining shall, at the option of the  
21 Contractor, be refunded to the Contractor or credited upon amounts to become due to the United  
22 States from the Contractor under the provisions hereof in the following months. With respect to

overpayment, such adjustment shall constitute the sole remedy of the Contractor or anyone having or claiming to have the right to the use of any of the water supply provided for herein.

(b) All advances for miscellaneous costs incurred for work requested by the Contractor pursuant to Article 24 shall be adjusted to reflect the actual costs when the work has been completed. If the advances exceed the actual costs incurred, the difference will be refunded to the Contractor. If the actual costs exceed the Contractor's advances, the Contractor will be billed for the additional costs pursuant to Article 24.

#### TEMPORARY REDUCTIONS--RETURN FLOWS

11. (a) Subject to: (i) the authorized purposes and priorities of the Project; and (ii) the obligations of the United States under existing contracts, or renewals thereof, providing for water deliveries from the Project, the Contracting Officer shall make all reasonable efforts to optimize Project Water deliveries to the Contractor as provided in the contract.

(b) The United States may temporarily discontinue or reduce the quantity of Project Water to be delivered to the Contractor as herein provided for the purposes of investigation, inspection, maintenance, repair, or replacement of any of the Project facilities or any part thereof necessary for the delivery of Project Water to the Contractor, but so far as feasible the Contracting Officer will give the Contractor due notice in advance of such temporary discontinuance or reduction, except in case of emergency, in which case no notice need be given: Provided, That the United States shall use its best efforts to avoid any discontinuance or reduction in such service. Upon resumption of service after such reduction or discontinuance, and if requested by the Contractor, the United States will, if possible, deliver the quantity of Project Water, which would have been delivered hereunder in the absence of such discontinuance

1 or reduction: Provided further, That with respect to any quantity of Project Water not delivered  
2 after a discontinuance or reduction the Contractor shall be relieved of its scheduling and payment  
3 obligations for such quantity of Project Water.

4 ( c) The United States reserves the right to all seepage and return flow water  
5 derived from water delivered to the Contractor hereunder which escapes or is discharged beyond  
6 the Contractor's Boundaries: Provided, That this shall not be construed as claiming for the  
7 United States any right to seepage or return flow being put to reasonable and beneficial use  
8 pursuant to this interim renewal contract within the Contractor's Boundaries by the Contractor or  
9 those claiming by, through, or under the Contractor.

#### 10 WATER SHORTAGE AND APPORTIONMENT

11 12. (a) In its operation of the Project, the Contracting Officer will use all  
12 reasonable means to guard against a condition of shortage in the quantity of water to be made  
13 available to the Contractor pursuant to this contract. Insofar as determined by the Contracting  
14 Officer to be practicable, the Contracting Officer will, in the event a shortage appears probable,  
15 notify the Contractor of such determinations as soon as possible.

16 (b) If there is a reduction in the total water supply available to the Contractor  
17 during any Year because of errors in physical operations of the Project, drought, other physical  
18 causes beyond the control of the Contracting Officer or actions taken by the Contracting Officer  
19 to meet legal obligations, no liability shall accrue against the United States or any of its officers,  
20 agents, or employees for any damage, direct or indirect, arising therefrom, so long as actions  
21 based upon the opinions or determinations of the Contracting Officer are consistent with the  
22 standards in Article 18.

1           (c)     In any Year in which there may occur a shortage for any of the reasons  
2 specified in subdivision (b) above, the Contracting Officer shall apportion the available Project  
3 Water supply among the Contractor and others entitled, under existing contracts and future  
4 contracts (to the extent such future contracts are permitted under subsections (a) and (b) of  
5 Section 3404 of the CVPIA) and renewals thereof, to receive Project Water consistent with the  
6 contractual obligations of the United States.

7           (d)     Subject to subdivisions (c) of this Article, in any Year in which there may  
8 occur a shortage for any of the reasons specified in subdivision (b) above, the Contracting Officer  
9 shall apportion the available Project Water among the Contractor and others entitled to receive  
10 Project Water from the Delta-Mendota Canal as follows:

11                   (1)     A determination shall be made of the total quantity of water  
12 scheduled to be delivered during the respective Year under all contracts then in force for  
13 the delivery of water from the Delta-Mendota Canal, the quantity so determined being  
14 herein referred to as the contractual commitments from the Delta-Mendota Canal.

15                   (2)     The total quantity of water scheduled to be delivered to the  
16 Contractor from the Delta-Mendota Canal during the respective Year under subdivision  
17 (a) of Article 3 shall be divided by the contractual commitments, the quotient thus  
18 obtained being herein referred to as the Contractor's contractual entitlement from the  
19 Delta-Mendota Canal.

20                   (3)     The supply determined by the Contracting Officer to be available  
21 from the Delta-Mendota Canal shall be multiplied by the Contractor's contractual



entitlement and the result shall be the quantity of water required to be delivered by the United States to the Contractor for the respective Year from the Delta-Mendota Canal.

(e) Subdivision (d) of this Article notwithstanding, in no Year of shortage shall the Contracting Officer reduce the quantity of M&I Water made available to the Contractor by more than twenty-five percent (25%) of historical use, "historical use" being defined as 400 acre-feet. The historical use may be adjusted for growth during the term of this interim renewal contract by a quantity not to exceed an additional 400 acre-feet converted from Irrigation Water to M&I Water in accordance with subdivision (b) of Article 3 of this interim renewal contract: Provided, That all successive interim renewal contracts shall be subject to any policy of the Contracting Officer then in effect concerning adjustments to contractual quantities based upon water converted from Irrigation Water to M&I Water in excess of the 400 acre-feet of converted water agreed to above. In the event the Contracting Officer determines that shortages beyond the twenty-five percent (25%) reduction are necessary for Project municipal and industrial users, the Contracting Officer shall declare a state of water shortage emergency and shall, during such emergency, provide the Contractor M&I Water sufficient to satisfy public health and safety requirements, as calculated by the Contractor pursuant to the then current water shortage contingency plan.

#### UNAVOIDABLE GROUND-WATER PERCOLATION

13. The Contractor shall not be deemed to have furnished Irrigation Water to Excess Lands or Ineligible Lands within the meaning of this interim renewal contract if such lands are irrigated with ground water that reaches the underground strata as an unavoidable result of the furnishing of Irrigation Water by the Contractor to Eligible Lands.

1                                    COMPLIANCE WITH FEDERAL RECLAMATION LAW

2                    14.        This interim renewal contract shall be implemented in accordance with all  
3 applicable provisions of Federal Reclamation law, as amended and supplemented.

4                                    WATER AND AIR POLLUTION CONTROL

5                    15.        The Contractor, in carrying out this contract, shall comply with all applicable  
6 water and air pollution laws and regulations of the United States and the State of California, and  
7 shall obtain all required permits or licenses from the appropriate Federal, State, or local  
8 authorities.

9                                    QUALITY OF WATER

10                  16.        (a)        Project facilities used to make available and deliver Project Water to the  
11 Contractor pursuant to this interim renewal contract shall be operated and maintained to enable  
12 the United States to make available and deliver Project Water to the Contractor in accordance  
13 with the water quality standards specified in subsection 2(b) of the Act of August 26, 1937 (50  
14 Stat. 865), as added by Section 101 of the Act of October 27, 1986 (100 Stat. 3050), or other  
15 existing Federal laws. The United States is under no obligation to construct or furnish water  
16 treatment facilities to maintain or to better the quality of Project Water furnished to the  
17 Contractor pursuant to this contract. The United States does not warrant the quality of Project  
18 Water made available and delivered to the Contractor pursuant to this contract.

19                                (b)        The operation and maintenance of Project facilities shall be performed in  
20 such manner as is practicable to maintain the quality of raw water made available through such  
21 facilities at the highest level reasonably attainable as determined by the Contracting Officer. The  
22 Contractor shall be responsible for compliance with all State and Federal water quality standards  
23 applicable to surface and subsurface agricultural drainage discharges generated through the use of

1 Federal or Contractor facilities or Project Water provided by the Contractor within the  
2 Contractor's Boundaries. This Article shall not affect or alter any legal obligations of the  
3 Secretary to provide drainage services.

4 WATER ACQUIRED BY THE CONTRACTOR OTHER THAN  
5 FROM THE UNITED STATES

6 17. Water or water rights now owned or hereafter acquired by the Contractor other  
7 than from the United States and Irrigation Water furnished pursuant to the terms of this interim  
8 renewal contract may be simultaneously transported through the same distribution facilities of the  
9 Contractor subject to the following: (i) if the facilities utilized for commingling Irrigation Water  
10 and non-Project water were constructed without funds made available pursuant to Federal  
11 Reclamation law, the provisions of Federal Reclamation law will be applicable only to the  
12 Landholders of lands which receive Irrigation Water; (ii) the eligibility of land to receive  
13 Irrigation Water must be established through the certification requirements as specified in the  
14 Acreage Limitation Rules and Regulations (43 CFR Part 426); (iii) the water requirements of  
15 Eligible Lands within the Contractor's Boundaries can be established and the quantity of  
16 Irrigation Water to be utilized is less than or equal to the quantity necessary to irrigate such  
17 Eligible Lands; and (iv) if the facilities utilized for commingling Irrigation Water and non-  
18 Project water are constructed with funds made available pursuant to Federal Reclamation law,  
19 the non-Project water will be subject to Federal Reclamation law, until such funds have been  
20 repaid.

1 OPINIONS AND DETERMINATIONS

2 18. (a) Where the terms of this interim renewal contract provide for actions to be  
3 based upon the opinion or determination of either party to this contract, said terms shall not be  
4 construed as permitting such action to be predicated upon arbitrary, capricious, or unreasonable  
5 opinions or determinations. Both parties, notwithstanding any other provisions of this contract,  
6 expressly reserve the right to seek relief from and appropriate adjustment, including monetary  
7 damages, for any such arbitrary, capricious, or unreasonable opinion or determination. Each  
8 opinion or determination by either party shall be provided in a timely manner.

9 (b) The Contracting Officer shall have the right to make determinations  
10 necessary to administer this interim renewal contract that are consistent with the expressed and  
11 implied provisions of this contract, the laws of the United States and the State of California, and  
12 the rules and regulations promulgated by the Secretary of the Interior. Such determinations shall  
13 be made in consultation with the Contractor to the extent reasonably practicable.

14 CHARGES FOR DELINQUENT PAYMENTS

15 19. (a) The Contractor shall be subject to interest, administrative, and penalty  
16 charges on delinquent installments or payments. When a payment is not received by the due  
17 date, the Contractor shall pay an interest charge for each day the payment is delinquent beyond  
18 the due date. When a payment becomes 60 days delinquent, the Contractor shall pay an  
19 administrative charge to cover additional costs of billing and processing the delinquent payment.  
20 When a payment is delinquent 90 days or more, the Contractor shall pay an additional penalty  
21 charge of 6 percent per year for each day the payment is delinquent beyond the due date. Further,  
22 the Contractor shall pay any fees incurred for debt collection services associated with a  
23 delinquent payment.

24 (b) The interest charge rate shall be the greater of the rate prescribed quarterly  
25 in the Federal Register by the Department of the Treasury for application to overdue payments, or  
26 the interest rate of 0.5 percent per month prescribed by Section 6 of the Reclamation Project Act  
27 of 1939 (Public Law 76-260). The interest charge rate shall be determined as of the due date and  
28 remain fixed for the duration of the delinquent period.

( c ) When a partial payment on a delinquent account is received, the amount shall be applied, first to the penalty, second to the administrative charges, third to the accrued interest, and finally to the overdue payment.

## EQUAL OPPORTUNITY

20. During the performance of this contract, the Contractor agrees as follows:

(1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination, rates of payment or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this nondiscrimination clause.

(2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without discrimination because of race, color, religion, sex, or national origin.

(3) The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Contracting Officer, advising the said labor union or workers' representative of the Contractor's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The Contractor will furnish all information and reports required by said amended Executive Order and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Contracting Officer and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract

1 may be canceled, terminated, or suspended, in whole or in part, and the Contractor may  
2 be declared ineligible for further Government contracts in accordance with procedures  
3 authorized in said amended Executive Order, and such other sanctions may be imposed  
4 and remedies invoked as provided in said Executive Order, or by rule, regulation, or order  
5 of the Secretary of Labor, or as otherwise provided by law.

6 (7) The Contractor will include the provisions of paragraphs (1) through (7) in  
7 every subcontract or purchase order unless exempted by the rules, regulations, or orders  
8 of the Secretary of Labor issued pursuant to Section 204 of said amended Executive  
9 Order, so that such provisions will be binding upon each subcontractor or vendor. The  
10 Contractor will take such action with respect to any subcontract or purchase order as may  
11 be directed by the Secretary of Labor as a means of enforcing such provisions, including  
12 sanctions for noncompliance: Provided, however, That in the event the Contractor  
13 becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a  
14 result of such direction, the Contractor may request the United States to enter into such  
15 litigation to protect the interests of the United States.

16 GENERAL OBLIGATION--BENEFITS  
17 CONDITIONED UPON PAYMENT

18 21. (a) The obligation of the Contractor to pay the United States as provided in  
19 this contract is a general obligation of the Contractor notwithstanding the manner in which the  
20 obligation may be distributed among the Contractor's water users and notwithstanding the default  
21 of individual water users in their obligations to the Contractor.

22 (b) The payment of charges becoming due hereunder is a condition precedent  
23 to receiving benefits under this contract. The United States shall not make water available to the  
24 Contractor through project facilities during any period in which the Contractor may be in arrears  
25 in the advance payment of water rates due the United States. The Contractor shall not furnish  
26 water made available pursuant to this contract for lands or parties which are in arrears in the  
27 advance payment of water rates levied or established by the Contractor.

28 COMPLIANCE WITH CIVIL RIGHTS LAWS  
29 AND REGULATIONS

30 22. (a) The Contractor shall comply with Title VI of the Civil Rights Act of 1964  
31 (42 U.S.C. 2000d), Section 504 of the Rehabilitation Act of 1975 (P.L. 93-112, as amended), the  
32 Age Discrimination Act of 1975 (42 U.S.C. 6101, et seq.) and any other applicable civil rights  
33 laws, as well as with their respective implementing regulations and guidelines imposed by the  
34 U.S. Department of the Interior and/or Bureau of Reclamation.

35 (b) These statutes require that no person in the United States shall, on the  
36 grounds of race, color, national origin, handicap, or age, be excluded from participation in, be

1 denied the benefits of, or be otherwise subjected to discrimination under any program or activity  
2 receiving financial assistance from the Bureau of Reclamation. By executing this contract, the  
3 Contractor agrees to immediately take any measures necessary to implement this obligation,  
4 including permitting officials of the United States to inspect premises, programs, and documents.

5 ( c) The Contractor makes this agreement in consideration of and for the  
6 purpose of obtaining any and all Federal grants, loans, contracts, property discounts, or other  
7 Federal financial assistance extended after the date hereof to the Contractor by the Bureau of  
8 Reclamation, including installment payments after such date on account of arrangements for  
9 Federal financial assistance which were approved before such date. The Contractor recognizes  
10 and agrees that such Federal assistance will be extended in reliance on the representations and  
11 agreements made in this Article, and that the United States reserves the right to seek judicial  
12 enforcement thereof.

### 13 PRIVACY ACT COMPLIANCE

14 23. (a) The Contractor shall comply with the Privacy Act of 1974 (5 U.S.C. 552a)  
15 (the Act) and the Department of the Interior rules and regulations under the Act (43 CFR 2.45 et  
16 seq.) in maintaining landholder acreage certification and reporting records, required to be  
17 submitted to the Contractor for compliance with Sections 206 and 228 of the Reclamation  
18 Reform Act of 1982 (96 Stat. 1266), and pursuant to 43 CFR 426.10.

19 (b) With respect to the application and administration of the criminal penalty  
20 provisions of the Act (5 U.S.C. 552a(I)), the Contractor and the Contractor's employees  
21 responsible for maintaining the certification and reporting records referenced in (a) above are  
22 considered to be employees of the Department of the Interior. See 5 U.S.C. 552a(m).

23 ( c) The Contracting Officer or a designated representative shall provide the  
24 Contractor with current copies of the Interior Department Privacy Act regulations and the Bureau  
25 of Reclamation Federal Register Privacy Act System of Records Notice (Acreage Limitation--  
26 Interior, Reclamation-31) which govern the maintenance, safeguarding, and disclosure of  
27 information contained in the landholder's certification and reporting records.

28 (d) The Contracting Officer shall designate a full-time employee of the Bureau  
29 of Reclamation to be the System Manager who shall be responsible for making decisions on  
30 denials pursuant to 43 CFR 2.61 and 2.64 amendment requests pursuant to 43 CFR 2.72. The  
31 Contractor is authorized to grant requests by individuals for access to their own records.

32 (e) The Contractor shall forward promptly to the System Manager each  
33 proposed denial of access under 43 CFR 2.64; and each request for amendment of records filed  
34 under 43 CFR 2.71; notify the requester accordingly of such referral; and provide the System  
35 Manager with information and records necessary to prepare an appropriate response to the  
36 requester. These requirements do not apply to individuals seeking access to their own

1 certification and reporting forms filed with the Contractor pursuant to 43 CFR 426.10, unless the  
2 requester elects to cite the Privacy Act as a basis for the request.

### 3 CONTRACTOR TO PAY CERTAIN MISCELLANEOUS COSTS

4 24. In addition to all other payments to be made by the Contractor pursuant to this  
5 contract, the Contractor shall pay to the United States, within sixty (60) days after receipt of a bill  
6 and detailed statement submitted by the Contracting Officer to the Contractor for such specific  
7 items of direct cost incurred by the United States for work requested by the Contractor associated  
8 with this interim renewal contract plus a percentage of such direct costs for administrative and  
9 general overhead in accordance with applicable Bureau of Reclamation policy and procedures.  
10 All such amounts referred to in this Article shall not exceed the amount agreed to in writing in  
11 advance by the Contractor. This Article shall not apply to costs for routine contract  
12 administration.

### 13 WATER CONSERVATION

14 25. (a) Prior to the delivery of water provided from or conveyed through Federally  
15 constructed or Federally financed facilities pursuant to this contract, the Contractor shall be  
16 implementing an effective water conservation program based on the Contractor's water  
17 conservation plan that has been determined by the Contracting Officer to meet the conservation  
18 and efficiency criteria established under Federal law. The water conservation program shall  
19 contain definite water conservation objectives, appropriate economically feasible water  
20 conservation measures, and time schedules for meeting those objectives.

21 (b) Should the combined amount of M&I Water delivered pursuant to  
22 subdivision (a) of Article 3 during the term of this interim renewal contract equal or exceed  
23 2,000 acre-feet , the Contractor shall implement the Best Management Practices identified by and  
24 the time frames issued by the California Urban Water Conservation Council unless any such  
25 practice is determined by the Contracting Officer to be inappropriate for the Contractor.



1                   (c)     As part of the water conservation program, the Contractor shall develop  
2     and be implementing a tiered block water pricing program that promotes conservation and the  
3     efficient management of Project Water during the term of this contract. Such pricing program for  
4     Project Water shall take into account all relevant circumstances, including without limitation,  
5     water shortages imposed under this interim renewal contract and the availability and cost of the  
6     Contractor's and individual water user's non-Project alternative sources of supply, including  
7     ground water and other non-Project water supplies, so that the Contractor's pricing structure  
8     provides incentives for conservation and the efficient management of overall water supply  
9     available to water users served by the Contractor. Provided, That no such tiered block water  
10    pricing program need be implemented by the Contractor if the Contracting Officer determines,  
11    based on information provided by the Contractor, that (i) such a pricing structure will not result  
12    in significant conservation of water available for use within the Contractor's service area,  
13    including ground water or (ii) other pricing program, conservation or management measures are  
14    more appropriate and/or will result in comparable or better conservation of the water supplies  
15    available within the Contractor's boundaries. Provided further, If the Contractor fails to, or elects  
16    not to, comply with this subdivision of Article 25, then any subsequent interim renewal contract  
17    shall contain a tiered pricing contractual provision pursuant to subsection (d) of Section 3405 of  
18    the CVPIA.

19                   (d)     The Contractor shall submit to the Contracting Officer by  
20    December 31, of each Calendar Year, an annual report on the status of its implementation of the  
21    water conservation program.

#### 22                   EXISTING OR ACQUIRED WATER OR WATER RIGHTS

23                   26.     Except as specifically provided in Article 17 of this contract, the provisions of this  
24    interim renewal contract shall not be applicable to or affect water or water rights now owned or  
25    hereafter acquired by the Contractor or any user of such water within the Contractor's Boundaries

1 from other than the United States by the Contractor. Any such water shall not be considered  
2 Project Water under this contract. In addition, this interim renewal contract shall not be  
3 construed as limiting or curtailing any rights which the Contractor or any water user within the  
4 Contractor's Boundaries acquires or has available under any other contract pursuant to the  
5 Federal Reclamation law.

6 OPERATION AND MAINTENANCE BY NON-FEDERAL ENTITY

7 27. (a) The responsibility for performing and, in some cases funding the operation  
8 and/or maintenance (O&M) of all or any portion or portions of the Delta-Division facilities may  
9 be transferred to an Operating-Non-Federal Entity by one or more separate agreements between  
10 the United States and the Operating Non-Federal Entity. Any such agreements shall require the  
11 Operating Non-Federal Entity to perform the O&M in compliance with the provisions of this  
12 Contract and shall not interfere with the rights and obligations of the Contractor or the United  
13 States hereunder.

14 (b) If so notified in writing by the Contracting Officer, the Contractor shall  
15 pay directly to such Operating Non-Federal Entity in accordance with such notice, (1) that  
16 portion of the Rate(s) to be paid the United States pursuant to this Contract which the  
17 Contracting Officer determines is the Contractor's appropriate share of the costs of the O&M of  
18 the Delta-Division facilities transferred to the Operating Non-Federal Entity for O&M; and (2)  
19 all appropriate additional amounts charged or assessed by the Operating Non-Federal Entity for  
20 the O&M of the Delta-Division facilities. Such direct payments to such Operating Non-Federal  
21 Entity shall not relieve the Contractor of its obligation to pay directly to the United States its  
22 allocated share of the remaining costs for the O&M of the Project.

1                    CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

2                    28.      The expenditure or advance of any money or the performance of any obligation of  
3 the United States under this contract shall be contingent upon appropriation or allotment of  
4 funds. Absence of appropriation or allotment of funds shall not relieve the Contractor from any  
5 obligations under this contract. No liability shall accrue to the United States in case funds are not  
6 appropriated or allotted.

7                    BOOKS, RECORDS, AND REPORTS

8                    29.      The Contractor shall establish and maintain accounts and other books and records  
9 pertaining to administration of the terms and conditions of this contract, including: the  
10 Contractor's financial transactions, water supply data, and Project land and right-of-way  
11 agreements; the water users' land-use (crop census), landownership, land-leasing and water use  
12 data; and other matters that the Contracting Officer may require. Reports thereon shall be  
13 furnished to the Contracting Officer in such form and on such date or dates as the Contracting  
14 Officer may require. Subject to applicable Federal laws and regulations, each party to this  
15 contract shall have the right during office hours to examine and make copies of the other party's  
16 books and records relating to matters covered by this contract.

17                   ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

18                   30.      (a)      The provisions of this contract shall apply to and bind the successors and  
19 assigns of the parties hereto, but no assignment or transfer of this contract or any right or interest  
20 therein shall be valid until approved in writing by the Contracting Officer.

21                   (b)      The assignment of any right or interest in this interim renewal contract by  
22 either party shall not interfere with the rights or obligations of the other party to this interim  
23 renewal contract absent the written concurrence of said other party.

24                   SEVERABILITY

25                   31.      In the event that a person or entity who is neither (i) a party to a Project interim  
26 renewal contract, nor (ii) a person or entity that receives Project Water from a party to a Project  
27 interim renewal contract, nor (iii) an association or other form of organization whose primary  
28 function is to represent parties to Project interim renewal contracts, brings an action in a court of  
29 competent jurisdiction challenging the legality or enforceability of a provision included in this  
30 interim renewal contract and said person, entity, association, or organization obtains a final court  
31 decision holding that such provision is legally invalid or unenforceable and the Contractor has  
32 not intervened in that lawsuit in support of the plaintiff(s), the parties to this interim renewal

1 contract shall use their best efforts to (i) within thirty (30) days of the date of such final court  
2 decision identify by mutual agreement the provisions in this interim renewal contract which must  
3 be revised, and (ii) within three (3) months thereafter promptly agree on the appropriate  
4 revision(s). The time periods specified above may be extended by mutual agreement of the  
5 parties. Pending the completion of the actions designated above, to the extent it can do so  
6 without violating any applicable provisions of law, the United States shall continue to make the  
7 quantities of Project Water specified in this interim renewal contract available to the Contractor  
8 pursuant to the provisions of this interim renewal contract, which were not found to be legally  
9 invalid or unenforceable in the final court decision.

#### 10 OFFICIALS NOT TO BENEFIT

11 32. No Member of or Delegate to Congress, Resident Commissioner, or official of the  
12 Contractor shall benefit from this contract other than as a water user or landowner in the same  
13 manner as other water users or landowners.

#### 14 CHANGES IN CONTRACTOR'S BOUNDARIES

15 33. While this contract is in effect, no change may be made in the Contractor's  
16 boundaries, by inclusion or exclusion of lands, dissolution, consolidation, merger or otherwise,  
17 except upon the Contracting Officer's written consent.

#### 18 NOTICES

19 34. Any notice, demand, or request authorized or required by this contract shall be  
20 deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid, or  
21 delivered to the Area Manager, South-Central California Area Office, 1243 N Street, Fresno, CA  
22 97321-1813, and on behalf of the United States, when mailed, postage prepaid, or delivered to  
23 the Board of Directors of the Plain View Water District, 30215 South Tracy Boulevard, Tracy,  
24 California 95376. The designation of the addressee or the address may be changed by notice  
25 given in the same manner as provided in this Article for other notices.

IN WITNESS WHEREOF, the parties hereto have executed this interim renewal contract as of the day and year first above written.

THE UNITED STATES OF AMERICA

By: /s/ Lowell F. Ploss  
Acting Regional Director, Mid-Pacific Region  
Bureau of Reclamation

(SEAL)

# PLAIN VIEW WATER DISTRICT

By: /s/ Russell Kagehiro  
President of the Board of Directors

Attest:

/s/ Nate Rupert  
Secretary

pvwd.wpd

APPROVED AS TO LEGAL  
FORM AND SUFFICIENCY

/s/ James E. Turner

OFFICE OF REGIONAL SOLICITOR  
DEPARTMENT OF THE INTERIOR